

Hiring a Forensic Accountant for Your Matrimonial Case: Weighing the Option of a Neutral Expert

August 3, 2021



During a divorce, many hard decisions have to be made by the parties involved. One of those decisions will be determining whether to hire a forensic accountant with experience in the financial aspects of divorce. Then you need to decide whether to hire the forensic accountant as a neutral joint expert or to advise only one party.

Here are some common analyses that a forensic accountant may perform:

- Determine cash flow and value any businesses owned by either party to the divorce
- Trace any pre-marital property to its current location and value
- Identify and quantify separate property
- Determine each party's income available for paying spousal and child support
- Calculate child and spousal support owed from one person to the other
- Identify and assign a value to the couple's assets and liabilities
- Prepare a plan for dividing the assets and liabilities between the couple
- Account for how joint funds have been spent by each party since separation

Why would the parties to a divorce decide to hire a joint expert?

Advantages of hiring a joint forensic accounting or business valuation expert:

- The joint expert will work with both parties to ensure receipt of all necessary information to perform the forensic accounting and valuation procedures
- The cost of hiring one expert could be significantly lower than hiring separate experts for each party to the divorce
- Hiring a joint expert may lead to a shorter resolution time, as there are fewer opportunities for major data discrepancies between the parties
- Because the expert is hired jointly, both parties have an incentive to cooperate with the forensic accounting expert
- If there is going to be a continuing relationship or shared custody of a child between the parties to the divorce, hiring a joint expert could enhance the trust between the parties going forward

In circumstances where a divorce proceeding is amicable and the parties to the divorce do not intend to contest the value of marital property, hiring a joint forensic accounting expert may make the most sense. However, there are situations where this approach may not work.

Why it may be necessary for one party to hire their own expert:

- One of the parties to the divorce may doubt that the other party will be forthcoming with all their financial information
- The divorce is contentious and history has shown that the parties have not agreed on many financial decisions
- One of the parties to the divorce is not likely to agree to accept the opinion of the joint forensic accounting expert
- The parties to the divorce have vastly different opinions of the value of marital assets
- One of the parties to the divorce owns a business whose value is disputed
- One of the parties has planned the divorce in advance, and may have adjusted business and personal assets to make accurate determination of

their values more difficult

- There is a high likelihood that the divorce case will end up in court

Determining whether or not to hire a joint expert in your matrimonial matters can be difficult. If you would like to know more about hiring a joint forensic accountant, please reach out to Raymond Dragon, Senior Manager of Anchin's Litigation, Forensic and Valuation Services Group, Anthony Bracco, Partner and Leader of Anchin's Litigation, Forensic and Valuation Services Group, or your Anchin Relationship Partner.